

Special Council Meeting Agenda

Monday, December 12, 2022, 10:00 a.m. Council Chambers - Hybrid City of Kitchener 200 King Street W, Kitchener, ON N2G 4G7

People interested in participating in this meeting can register online using the delegation registration form at <u>www.kitchener.ca/delegation</u> or via email at <u>delegation@kitchener.ca</u>. Please refer to the delegation section on the agenda below for registration in-person and electronic participation deadlines. Written comments received will be circulated prior to the meeting and will form part of the public record.

The meeting live-stream and archived videos are available at <u>www.kitchener.ca/watchnow</u>

Accessible formats and communication supports are available upon request. If you require assistance to take part in a city meeting or event, please call 519-741-2345 or TTY 1-866-969-9994.

Pages

1. Commencement

The electronic meeting will begin with a Land Acknowledgement given by the Mayor.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

3. Delegations

Pursuant to Council's Procedural By-law, delegations are permitted to address the Committee for a maximum of five (5) minutes. All Delegations where possible are encouraged to register prior to the start of the meeting. For Delegates who are attending in-person, registration is permitted up to the start of the meeting. Delegates who are interested in attending virtually must register by December 12, 2022 on 8:30 a.m., in order to participate electronically.

4. Staff Reports

4.1 Bill 23 - More Homes Built Faster Act, DSD-2022-501

5. New Business

5.1 Notice of Motion - D. Chapman - Inclusionary Zoning Policy

Councillor D. Chapman has given notice to introduce the following motion for consideration this date:

"Whereas housing as a human right was solidified in Bill C-97 (National Strategy Housing Act) on June 21 2019, stating: "It is declared to be the housing policy of the Government of Canada to recognize that the right to adequate housing is a fundamental human right affirmed in international law; and to recognize that housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities;

Whereas there is an affordable housing crisis in the Region of Waterloo, with over 7,500 families on the affordable housing waiting list, over 1,000 homeless people and an estimated 21 unsanctioned encampments around the Region;

Whereas the City of Kitchener passed a Housing for All Strategy in 2020 which identified the need for over 9,300 affordable rental housing units;

Whereas the Region of Waterloo defines affordable as 30% of one's income;

Whereas "affordable," as defined by the affordability subcommittee of Kitchener's Housing Strategy Advisory Committee, is 30% of a full-time minimum wage (\$32, 240/year), that is just over \$800 a month;

Whereas the average rent of a one-bedroom apartment in Kitchener today is about \$1,700;

Whereas inclusionary zoning is one of the few tools available to lower-tiered municipalities to address the affordable housing shortage; and,

Whereas Bill 23 sets a maximum requirement of 5% affordable units per residential build at 80% of market value for a period of 25 years, equating to approximately \$1,360 rent per month for a onebedroom apartment, in other words 70% higher than the figure 10

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proposed by the affordable housing subcommittee;

Therefore be it resolved that Kitchener City Council request that the Province of Ontario re-evaluate its inclusionary zoning policy with a view to setting a substantial minimum required percentage of affordable units, re-defining "affordable" and giving authority to local municipalities to set minimum time limits for affordable units to remain affordable - through consultation with lower tiered governments, those with lived experiences and affordable housing advocates, all of whom have invested time and resources to understand the needs of their communities."

5.2 Notice of Motion - A. Clancy - Bill 23 Climate action and Community wellbeing

Councillor A. Clancy has given notice to introduce the following motion for consideration this date:

"WHEREAS the City of Kitchener acknowledges the affordable housing crisis and housing supply crisis, and has developed a Housing for All strategy to meet the needs of current and future residents and has established a fund to reduce development charges on affordable housing, and designated sufficient land to assist the province in reaching it's housing targets;

WHEREAS the City of Kitchener, along with other area municipalities, has both declared a climate emergency; committed in principle to a 50% reduction in absolute community GHG emissions by 2030; endorsed the TransformWR Climate Action Strategy and the Regional Official Plan; all as evidence of the City's commitment to striving towards development that prioritizes both community wellbeing and a safe climate future;

WHEREAS Bill 23, the More Homes Built Faster Act, 2022, is a significant piece of legislation that makes substantial changes to multiple pieces of existing legislation and supporting regulations as part of Ontario's Housing Supply Action Plan for 2022-2023;

WHEREAS the Province of Ontario through its MOU with the Associations of Municipalities of Ontario has committed to prior consultation to cooperate with municipal governments in considering new legislation or regulations that will have a municipal impact;

WHEREAS, the introduction of a bill during a period of transition with a short timeline for consultation may lead to unintended consequences and serious implications that could cause harm and work against the province's goal of 1.5 million homes in 10 years;

WHEREAS the City of Kitchener relies on groundwater to resource the needs of residents and businesses, which may potentially be jeopardized by the inability to protect land and natural ecosystems that replenish our groundwater due to legislative changes made by Bill 23, negatively impacting future generations;

WHEREAS Bill 23 will undermine these commitments to both climate action and community wellbeing that the City of Kitchener is striving to prioritize, affecting the overall wellbeing of Kitchener

residents and communities; and,

WHEREAS Bill 23 will impact city finances leading to limitations on infrastructure investments to serve new homes, and reduce service provision negatively impacting resident well being or create an increased tax burden on rate payers in the City; as it moves away from our "growth pays for growth" approach;

THEREFORE BE IT RESOLVED that Kitchener City Council requests that the Province of Ontario repeal Bill 23, as the process was not conducted in a manner respecting the commitment to prior consultation, transparency and cooperation;

THEREFORE BE IT FURTHER RESOLVED that Kitchener City Council requests the province to do a thorough analysis of the economic impact of climate disasters including flooding, heat related death, property damage and food shortages in order to put an accurate value on adaptation, the protection of farmland, wetlands, ecosystems and the Conservation Authorities who guide such protection and consider the results of that analysis in implementation of the regulations surrounding Bill 23 and any future housing related legislation; and

THEREFORE BE IT FURTHER RESOLVED that Kitchener City Council requests that the Province of Ontario work with municipalities to explore efficiencies locally that may improve practices to address the housing supply; and,

THEREFORE BE IT FINALLY RESOLVED that a copy of this resolution be forwarded to the Honourable Doug Ford, Premier of Ontario, the Honourable Steve Clark, Minister of Municipal Affairs and Housing, the Honourable Parm Gill, Minister of Red Tape Reduction, Mike Schreiner, Leader of the Ontario Green Party and MPP Guelph, John Fraser, Interim Leader of the Ontario Liberal Party and MPP Ottawa South, Peter Tabuns, Interim Leader Ontario NDP Party and MPP Toronto-Danforth, Region of Waterloo, City of Cambridge, City of Waterloo, Association of Municipalities of Ontario, the Ontario Big City Mayors Caucus, the Federation of Canadian Municipalities and Iocal and area MPPs."

5.3 Notice of Motion - B. Vrbanovic - Ontario's Big City Mayors (OBCM) Bill 23, More Homes Built Faster Act, 2022

Mayor B. Vrbanovic has given notice to introduce the following motion for consideration this date:

"WHEREAS the provincial government passed Bill 23, More Home Built Faster Act, 2022 on November 28, 2022 with regulations and changes to several provincial acts which will have a significant impact on municipalities in the province;

WHEREAS notwithstanding there are parts of Bill 23 that will help build homes faster, Ontario's Big City Mayors (OBCM) have written to Premier Doug Ford and Minister Steve Clark regarding their concerns with Bill 23, and have presented to the Standing Committee on Heritage, Infrastructure and Cultural Policy;

WHEREAS the OBCM mayors have noted significant concerns relating to the impact on the collection of development charges and parkland levies, that will result in billions of dollars worth of infrastructure deficits that, without offsetting, will severely impact the current tax base as well as impact how municipalities will fund parkland spaces;

WHEREAS the impacts of this revenue shortfall will result in property tax increases and severely impact a municipality's ability to build the infrastructure needed to support the creation of new homes including roads, sewer and water systems, and supports for the delivery of fire and police services, delaying the building of new homes;

WHEREAS municipal audits announced by the province in selected municipalities will show how these reserve funds are allocated by each municipality to pay for the cost of this needed infrastructure, based on legislation from the province that strictly sets out their uses;

WHEREAS all partners in the homebuilding process, including municipalities who have responsibility for permitting, approvals and servicing, and developers who are responsible for getting shovels in the ground, can improve processes geared toward their part of creating a new housing supply;

WHEREAS while the municipal sector can help cut red tape and speed up the municipal approvals process, it is the responsibility of the province to look at delays within their ministries, and the responsibility of developers and home builders to further coordinate the building of homes in a timely manner once development approvals are in place;

WHEREAS the province has not identified accountability measures for all parties involved in creating housing, nor has the province identified annual targets to demonstrate incremental goals to build 1.5 million homes over the next decade;

THEREFORE BE IT RESOLVED THAT the City of Kitchener endorse and support the OBCM mayors request to the province immediately pause the implementation of changes to the development charges act and parkland fee reductions in Bill 23 until cities have been consulted on finding solutions to the impacts that these changes will have to our communities;

THEREFORE IT BE FURTHER RESOLVED that the City request the province put in place the Housing Supply Action Plan Implementation Table immediately and establish a terms of reference for the implementation table, and that Bill 23 is considered a priority in consultation with municipalities and other stakeholders in the home building industry;

THEREFORE IT BE FURTHER RESOLVED that the City request the province work with municipalities to re-open the discussion on a new long-term permanent municipal funding strategy to maintain services and fund critical infrastructure projects, and include the federal government to discuss joint solutions such as allocating a portion of the Harmonized Sales Tax (HST) to cities, allowing municipalities to build the housing that Ontarians need without having the burden fall on the existing property tax base; THAT while this work on an additional long-term municipal funding strategy is underway, municipalities are made whole, dollar-fordollar, by the province to eliminate the unintended consequences of revenue reductions associated with Bill 23 changes;

THEREFORE BE IT RESOLVED THAT the City of Kitchener endorse and support the OBCM request to hold all stakeholders (provincial ministries, municipalities, developers, and homebuilders) jointly accountable for their part of the home building process through the upcoming housing unit pledge exercise, due to the province by March 1st;

THEREFORE BE IT RESOLVED THAT the City of Kitchener endorse and support the OBCM request to urge the province work with each municipality and all other partners in the homebuilding process to identify annual targets, with agreed upon accountability measures and metrics put in place based on each partner's role in the homebuilding process;

THEREFORE IT BE FINALLY RESOLVED that City request the Housing Supply Action Plan Implementation Table regularly identify to the Minister of Municipal Affairs and Housing legislative and regulatory amendments to mitigate or eliminate unintended consequences of Bill 23, inclusive of the effects of outside and market forces that may impact the achievement of these targets."

6. Recess and Reconvene

The in-camera meeting will then recess following item 5.1 listed on the agenda this date and reconvene at approximately 5:00 p.m. to consider the balance of the agenda.

7. Staff Reports (Cont'd)

7.1 Centre in the Square Board Appointments, COR-2022-519

7.2 Preapproval of 2023 Capital Projects, FIN-2022-496

Council is requested to consider any recommendation arising from the Finance and Corporate Services Committee meeting this date, concerning the pre-approval of 2023 Capital Projects for Procurement.

7.3 2023 User Fees, FIN-2022-482

Council is requested to consider any recommendation arising from the Finance and Corporate Services Committee meeting this date, concerning 2023 User Fees.

7.4 2023 Water Utilities Rates, FIN-2022-488

Council is requested to consider any recommendation arising from the Finance and Corporate Services Committee meeting this date concerning the 2023 Water Utilities Rates.

7.5 2023 Natural Gas Rates, INS-2022-486

Council is requested to consider any recommendation arising from the Finance and Corporate Services Committee meeting this date, concerning the Natural Gas Supply and Delivery Rates.

8. In-camera Meeting Authorization

Note: Any member of Council may question the appropriateness of a listed incamera item. This may be done during the special Council meeting or at the beginning of the in-camera session.

Council is asked to enact the following resolution to authorize an in-camera meeting:

"That an in-camera meeting of City Council be held immediately following the special council meeting this date to consider 4 matters relating to land acquisition and disposition, two of those matters being also subject to solicitor client privilege, and one security of property matter as authorized by Sections 239 239 (a) (c) (e) and (f) of the Municipal Act, 2001, respectively."

8.1	Lease Agreement - City Lands (Land Acquisition-Disposition - Section 239 (c))	10 m
	Staff will provide information and seek direction on this matter.	
8.2	City Park Land Acquisition and Disposition of Land (Land Acquisition-Disposition - Section 239 (c))	10 m
	Staff will provide information and seek direction on this matter.	
8.3	Matter before the Ontario Land Tribunal (OLT) (Litigation/Potential Litigation and Solicitor Client Privilege Section239 (2) (e) (f))	30 m
	Staff will provide information and seek direction on this matter.	
8.4	Ontario Land Tribunal (OLT) Appeal Update (Litigation/Potential Litigation and Solicitor Client Privilege Section239 (2) (e) (f))	15 m
	Staff will provide information and seek direction on this matter.	
8.5	Housing and Homelessness Prevention (Security Property - Section 239 (a))	20 m
	Staff will provide information and seek direction on this matter.	
By-law	S	
9.1	Three Readings	

9.1.a To confirm all actions and proceedings of the Council for December 12, 2022.

10. Adjournment

9.



Development Services Department



REPORT TO:	Special Council
DATE OF MEETING:	December 12, 2022
SUBMITTED BY:	Garett Stevenson, Interim Director Planning, 519-741-2200 ext. 7070
PREPARED BY:	Natalie Goss, Manager, Policy & Research, 519-741-2200 ext. 7648 Ryan Hagey, Director, Finance Planning and Reporting, 519-741- 2200 ext. 7353 Garett Stevenson, Interim Director Planning, 519-741-2200 ext. 7070
WARD(S) INVOLVED:	ALL
DATE OF REPORT:	December 8, 2022
REPORT NO.:	DSD-2022-501
SUBJECT:	Bill 23 More Homes Built Faster Act – Kitchener Comments

RECOMMENDATION:

That staff be directed to prepare an implementation action plan for Bill 23, *More Homes Built Faster Act, 2022,* as well as other recently approved Provincial legislation, including Bill 13, *Supporting People and Businesses Act, 2021,* and Bill 109, *More Homes for Everyone Act, 2022,* and to report back to Council on, or before, June 26, 2023.

REPORT HIGHLIGHTS:

- The purpose of this report is to provide an overview of Bill 23 and related Environmental Registry of Ontario (ERO) postings and outline Kitchener's administrative response.
- Bill 23 was approved and received Royal Assent on November 28.
- Kitchener continues to be a leader in Ontario and has already undertaken some of the work that Bill 23 seeks to achieve through its Development Services Review, Affordable Housing Strategy, and updates to Kitchener's Zoning By-law permitting additional residential units (e.g., tiny homes) on more than 25,000 residential lots across the city.
- Staff comments and questions on Bill 23 were submitted to the Province on November 23 and were focused in the areas of Development Charges and Park land Dedication; coordination of planning responsibilities; Site Plan authority; natural heritage responsibilities; and cultural heritage.
- Staff have identified a development charge (DC) revenue loss of at least \$40 million over the next 10 years due to changes advanced through Bill 23.
- Staff have identified a park land reduction of at least 50%, and up to 85% in high density type developments. Bill 23 has the potential to reduce anticipated cash-in-lieu of park land by approximately \$10 to \$17 million annually. Additionally, park conveyances are appealable to the Ontario Land Tribunal (OLT) giving the OLT the authority to require the City to accept encumbered, leased, or strata lands as public park land.
- It would require a property tax increase of 10% or more to fund the losses to the community associated with Bill 23.
- Staff are continuing to monitor budget implications of Bill 23 as part of the 2024 and subsequent budget processes. Additionally, through ongoing process improvement discussions, staff will

*** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance. continue to assess necessary changes to the City's site plan review process, the cultural heritage implementation and protection workplan, as well as the City's policy planning work plan and deliverables.

• This report supports the delivery of core services.

BACKGROUND:

On October 25, 2022 the Province tabled Bill 23, More Homes Built Faster Act, for comment. The original commenting period for some ERO postings was planned to end on November 24, 2022, but was extended to December 9, 2022. However, Bill 23 received Royal Assent on November 28, 2022, prior to the comment period closing. This report provides an overview of Bill 23 and other related Environmental Registry of Ontario (ERO) postings and staff's comment and questions submitted to the Province on November 23, 2022 (Attachment A). There were additional ERO postings made at the same time as those mentioned above (e.g., changes to the greenbelt) which are not applicable to lands within the City of Kitchener and as such have not been commented on by staff. An additional two ERO postings remain open for comment related to "Conserving Ontario's Natural Heritage" and "Review of A Place to Grow and Provincial Policy Statement". These postings are not tied to Bill 23. Staff continues to review these postings and will provide technical comments prior to the closing of comments on December 30, 2022.

REPORT:

On October 25, 2022 the Province tabled Bill 23, More Homes Built Faster Act, for comment. Bill 23 received Royal Assent on November 28, 2022 and amends the following acts:

- Development Charges Act, 1997 This Act allows municipalities to pass by-laws to collect money to pay for certain increased capital costs needed as a result of growth.
- Planning Act, 1990 This act sets out rules of land use planning and describes how land use may be controlled and who may control land.
- Ontario Land Tribunal Act, 2021 This Act sets out the rules and procedures of the Provincial appeal body, the Ontario Land Tribunal (OLT). The OLT hears appeals on a variety of matters including land use matters.
- Conservation Authorities Act, 1990 This Act establishes conservation authorities and their ability to delivery programs and services that further the conservation, restoration, development, and management of natural resources in watersheds.
- Ontario Heritage Act, 1990 This Act provides the framework for the identification and protection
 of cultural heritage resources and archaeological resources. The Act also gives the province and
 municipalities powers to identify and protect properties and areas of cultural heritage value or
 interest.

Additionally, a series of companion postings were made to the ERO on October 25 amending existing regulations and guidelines and proposing a new regulation. These include:

- New regulation for Development for the Protection of People and Property from Natural Hazards in Ontario This regulation proposes to govern activities that require permits under the Conservation Authorities Act suggesting that permits focus on flooding and other natural hazards and the protection of people and property.
- Updates to the Additional Residential Units Regulation This regulation implements additional residential units (including tiny homes) provisions of the Planning Act.
- Updates to the Inclusionary Zoning Regulation This regulation implements inclusionary zoning provisions of the Planning Act.
- Updates to the Ontario Wetland Evaluation System (OWES) The OWES is the Provincial procedure that is used to determine significant wetlands and their boundaries.

Attachment A is a fulsome summary of the changes to the Acts and regulations outline above as well as staff's submission to the Province on the same. Staff's submission is the result of a collaborative review of Bill 23 by staff from across the corporation including Legal Services; Financial

Planning and Reporting; Building; Engineering; Planning; Parks and Cemeteries; and Sanitary and Stormwater Utilities. The final submission was provided through the relevant ERO postings on November 23.

Kitchener continues to be a leader in Ontario and has already undertaken some of the work that Bill 23 seeks to achieve:

- The City has prioritized continuous improvement through the Development Services Review (DSR) which resulted in the creation of a customer-informed workplan that included 18 lean improvement projects know as Kaizens involving over 111 staff. Additionally, projects are underway to implement recommendations from the provincially funded 2021 KPMG report on Digital Transformation as well as through Streamlining Development Approvals provincial funding awarded earlier this year to continue to refine our processes. Staff continue to explore opportunities for process improvements and streaming the development approvals process as part of the implementation of Bill 109.
- Kitchener Council recently approved a \$2 million fund to pay development charges for affordable housing and in August 2022 through Council's approval of a park land dedication bylaw, exempted parkland dedication requirements for affordable housing. Bill 23 makes affordable housing projects exempt from development charges and parkland dedication.
- In 2021, Kitchener was one of the first municipalities in Ontario to update its zoning by-law to allow for additional dwelling units (tiny houses) on over 25,000 lots. To date Kitchener has received 37 applications for additional dwelling units with some already occupied.

Staff outlined several areas of concern and proposed questions to the Province through the ERO submission (Attachment A). These are:

Development Charge Framework

Bill 23 includes changes in development charge (DC) eligible items, effective November 28, such as no longer being able to fund growth related studies and land acquisition. <u>Under Bill 23 staff have</u> estimated a DC revenue loss totaling at least \$40 million over the next 10 years. This includes:

- \$14.6 million due to growth related studies being removed as a DC eligible service
- \$7.65 million due to land acquisitions being removed as a DC eligible cost
- \$17M due to new DC rates being phased-in over multiple years

Additional DC revenue losses will also occur but cannot be calculated at this time. The two additional areas resulting in DC revenue loss relate to:

- Attainable housing being exempt from DCs (no definition of attainable housing provided)
- DC discounts for purpose-built rental housing (will require detailed analysis of forecasted construction starts based on typology)

These changes will hamper the City's ability to supply infrastructure in a timely and coordinated manner to support growth. In recent years the City's DC reserve levels have increased (projected balance of \$25M at the end of 2022), as it saves up for significant planned growth-related capital expenses in the near future. Upcoming DC expenses in the near future include:

- \$40M for an indoor aquatic facility (2023-2025)
- \$39M for an indoor turf field (2023-2025)
- \$20M for Upper Hidden Valley Sewage Pumping Station (2023-2024)
- \$18M for Strasburg Road South & Watermain (2023-2025)
- \$15M for an additional fire hall (2023-2025)

These major expenses (in addition to smaller items that make up the entirety of the DC funded capital program) are already projected to drive the DC reserve into deficit as early as 2024 and remain there until 2032. The graph below shows the projected balance of the DC reserve turning from a surplus position to a deficit position over the next five years before any impacts from Bill 23.

Development Charges Reserve Fund Projected Yearend Balance (2022-2027)



Further reductions to the City's DC revenue stream will extend the time the DC reserve remain in deficit or more likely cause the City to delay the delivery of important growth-related infrastructure projects. Kitchener does not have surplus funds in the DC reserve fund that are not allocated to a future project.

Parkland Dedication Framework

On August 22, 2022, City of Kitchener Council approved the updated Parks Strategic Plan "Spaces", and alongside it adopted two updated documents relating to Park Dedication – The Park Dedication By-Law and Council Policy. Spaces (2022) establishes the target local park provision at 10 square meters of park space per person, linked directly to the current average provision and maximizing park dedication contributions under the Planning Act.

Under Bill 23, all types of park dedication will be reduced by 50% and reductions could be as high as 85% for higher density developments. This change effectively halves the alternative rates in the Planning Act, resulting in a minimum 50% reduction of park land in all future development. The result is a reduction in total park dedication equivalent to 6.7 square meters per person in new community development (i.e., subdivisions) and 4 square meters per person in established communities (i.e., site plan development).

Further reductions are levied onto park dedication through the use of a land area cap. Under Bill 23, the City can now take park land up to 10% of the land for developments less than 5 hectares and 15% for developments greater than 5 hectares. The cap does not factor into new community developments maintaining the 6.7 square meter per person average expected park land provision. The cap at the highest density ranges in existing communities will reduce park land by up to 85% and provide near zero park land provisions at the highest density range.

Direct cash-in-lieu of parkland revenue loss is anticipated between \$10M -\$17M annually, with initial longer term revenue loss estimates of between \$200M-\$340M over 20 years.

The result will be park land being provided at a substantially reduced provision rates relative to the city's current average, or park land that is relegated to otherwise undevelopable lands if available at all, particularly in critical needs communities.

Bill 23 also proposes a system in which developers have the means to propose encumbered, leased, or strata portions of their development. If the City does not accept these lands as park land, the decision is appealable to the Ontario Land Tribunal (OLT) by the developer. The OLT has the

authority to require the municipality to accept these lands as park land, regardless of any by-law or policy in place. The City maintains its position that strata parks, privately owned public spaces (POPS) or leased properties, are not equivalent to publicly owned park property. It has been demonstrated across North America that privately owned public spaces are not maintained consistently or as equitably compared to public parks. The proposal of potentially dozens of fractured, undesirable park spaces will continue to reduce overall provisions that are being reduced by up to 85% by this Bill. While the provision is a concern, the ability of the OLT to mandate the taking of lands that are categorically unsuitable as park land has potential long-term implications to the financial health of Kitchener's parks, and its ability to provide suitable open spaces. The quantity, quality, and even public nature of parks in Kitchener and Ontario will be negatively impacted by this proposed change.

The changes within Bill 23 outlined above will limit Kitchener's ability to build new parks and park service levels are expected to decline significantly as the City continues to grow. This is particularly problematic in intensification areas where smaller units are being built and residents will increasingly rely on public amenity space as part of their quality of life. As Kitchener's parkland dedication bylaw has been appealed and is proceeding through the Ontario Land Tribunal process, staff are seeking clarification from the Province on how Bill 23 changes are to be implemented given the lack of transition clauses in the legislation.

Regional Planning Authorities

Bill 23 removes planning responsibilities from select upper-tier municipalities including the Region of Waterloo. These changes are not yet in effect. Additionally, on November 16 the Province announced that provincial facilitators will be appointed to work with select regional governments, including the Region of Waterloo and lower-tier governments within the Region, to assess the best mix of roles and responsibilities between upper and lower-tier governments. Staff see merit in a continued coordinated approach to certain aspects that are currently within the Region's planning jurisdiction. Coordination of growth in geographic areas with shared interests and infrastructure, like groundwater/sourcewater protection, wastewater and water treatment, natural heritage, and transit is beneficial. Coordination will assist with continuing to balance increasing housing supply while maintaining agricultural lands for needed food supply and protecting and conserving lands that are an integral part of our watershed and natural heritage system that cross municipal boundaries.

Site Plan Exemption

Bill 23 excludes buildings of 10 units or less from site plan control. Further, Bill 23 excludes exterior design matters including character, scale, appearance, and design features. Excluding these types of developments and matters from site plan control has implications on staff's ability to review and mitigate matters related to parking lots, grading (property drainage), building design and appearance, and new servicing. Staff has successfully worked with applicants through its site plan process to improve site design and eliminate off-site impacts. Staff are continuing to understand the implications of this change and may need to implement new Building Permit review processes in early 2023.

Natural heritage system review/evaluation jurisdiction

Bill 23 limits the role of the GRCA to matters related to natural hazards and will no longer permit memorandum of understandings (MOUs) for services. Kitchener works in partnership with the Region of Waterloo and GRCA on matters related to natural hazards and natural heritage to ensure a consistent streamlined approach to conservation, enhancement, and restoration. Bill 23 presents challenges in ensuring a cross municipal, consistent approach to the conservation, protection, and restoration of natural heritage systems.

Cultural heritage register and designation

Among the changes within Bill 23 are changes to the timing of the review and addition of properties to heritage registers. This change requires the evaluation and designation process to be complete

for all cultural heritage resources on Kitchener's register within a 2-year timeframe which will be challenging to achieve.

Ontario Land Tribunal

Changes introduced to the Ontario land Tribunal Act through Bill 23 include, among other things, the ability for the Ontario Land Tribunal (OLT) to order an unsuccessful part to pay a successful party's costs. Currently, costs are rarely awarded by the OLT. This change, combined with development application timeline changes introduced earlier this year through Bill 109 will have the effect of putting pressure on approval authorities to make quick decisions and to resolve matters outside of the OLT.

Staff are continuing to monitor and assess the implications of the implementation of Bill 23. Budget and resource implications will be considered as part of the 2024 and subsequent budget processes.

Bill 109, More Homes for Everyone Act, 2022

On November 20, 2022, Minister Steve Clark indicated that the Provincial government will introduce legislation that, if passed, would delay the implementation of development application refund requirements set out in Bill 109 by six months, from January 1, 2023 to July 1, 2023. Staff will continue to monitor for this legislation.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

The City's current DC bylaw was expected to fund approximately \$390M in growth related costs over a 10-year timeframe. The estimated impacts of Bill 23 on DC revenues over the next 10 years is at least a \$40M loss (over 10% of projected revenues). These impacts are summarized in the table below. Additional DC revenue losses are possible as staff continues to understand how Bill 23 is intended to be implemented.

DC Act Changes	Financial Impact (Preliminary)	
1. Phasing of DC rates	\$17M	
2. Study Related Costs	\$15M	
3. Land Acquistion Costs	\$8M	
4. Exemptions of DCs for "attainable" housing	Not Calculated	
5. Discount for purpose built rental units	Not Calculated	
Total	\$40M	
Notes:		
1. Full DC rates to be phased in over 5 years (80% yr 1, 85% yr 2, 90% yr 3, 95% yr 4)		
2. Growth related studies have been eliminated as an eligible DC service		
3. Land acquisition costs may no longer be eligible to be funded by DCs		
4. DC exemptions for "attainable" housing (attainable has not been defined)		
5. Discounts to be provided for purpose built units, with higher discounts for larger units		

In addition, parkland dedication (land) and cash-in-lieu contributions will be reduced by at least 50% with current anticipated cash-in-lieu loses estimated at approximately \$10 to \$17M annually. The City's initial estimates due to the change to park land funding as part of Bill 23 is a loss of revenue between \$200M-\$340M over 20 years.

To illustrate the impact of these changes. At the low end, the impact of the reduction to development charges and cash-in-lieu of parkland is \$14M annually. A 1% increase to the City's tax rate

generates \$1.4M. Therefore, it would require a property tax increase of 10% or more to fund the losses to the community associated with Bill 23.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

- Development Charges Act, 1997
- Planning Act, 1990
- Ontario Land Tribunal Act, 2021
- Conservation Authorities Act, 1990
- Ontario Heritage Act, 1990

REVIEWED BY:	Katherine Hughes, Assistant City Solicitor
	Mark Parris, Landscape Architect

- APPROVED BY: Jonathan Lautenbach, Chief Financial Officer Denise McGoldrick, General Manager Infrastructure Services Justin Readman, General Manager Development Services Dan Chapman, Chief Administrative Officer
- **ATTACHMENTS:** Attachment A City of Kitchener Comments on Bill 23 More Homes Built Faster Act and Related October 25, 2022 ERO Postings

Attachment A to DSD-2022-501- City of Kitchener Comments on Bill 23 More Homes Built Faster Act and related October 25, 2022 ERO postings

This summary includes the City of Kitchener's comments on relevant proposed changes to various legislation, regulations, and policy documents contained within the ERO postings tabled October 25, 2022. Additional comments may be provided on the following ERO postings, where warranted, at a later date:

- Conserving Ontario's Natural Heritage
- Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario
- <u>Review of A Place to Grow and Provincial Policy Statement</u>
- Proposed Changes to Sewage Systems and Energy Efficiency for the Next Edition of Ontario's Building Code

Bill 23: More Homes Built Faster Act, 2022

Proposed Amendment and What it Means	City of Kitchener Comments and Questions
Development Charges Act, 1997, (ERO posting 019-6172)	Development Charges Act, 1997, (ERO posting 019-6172)
 Development Charge exemptions The following types of residential units will be exempt from paying Development Charges (DC's): Affordable rental housing (defined) Affordable ownership housing (defined) Attainable housing (not defined, criteria provided) Non-profit housing Inclusionary zoning units Residential rental additions in buildings greater than 4 units Additional dwelling units (second and third units on an existing lot) 	CommentsKitchener appreciates the addition of definitions for affordable rental and affordable ownership housing as this will assist with determining what developments are exempt.As part of the implementation of Kitchener's Housing for All Strategy, Kitchener pays the DC's for affordable housing projects. This approach is in line with the proposed DC exemptions for affordable housing projects outlined in Bill 23.DC exemptions for other housing forms proposed will decrease DC revenues for the City, but the specific impact is unknown.Questions of clarification A definition of attainable housing is recommended to provide clarity on this proposed DC exemption. Additionally, clarification is sought on what is meant by the following criteria listed in the description of attainable

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	residential unit "the residential unit was developed as part of a prescribed
	development or class of developments"
Eligible capital costs	Comments
Certain studies (i.e. growth-related studies) are proposed to be removed	The proposed changes in DC eligible items does not reduce the need of
from the list of DC eligible capital costs.	infrastructure required to support growth, but rather moves us further
	from a "growth pays for growth" mentality. Alternative revenue sources,
New DC rate increases are proposed to be phased in starting at 80% in	including the potential for tax funded infrastructure and offsets from
year 1 and increasing by 5% per year for each year thereafter for DC	other levels of governments, will need to be explored. Should alternative
bylaws that are approve after June 1, 2022.	revenue sources not be available lack of adequate funding may slow the
	delivery of necessary infrastructure to support growth which does not
Note – It is our understanding that on November 21, 2022 an	align with the goal of increasing the supply of housing.
amendment to Bill 23 was tabled and approved that changes the	
above date from June 1 to January 1, 2022.	In an amendment to Bill 23 (On November 21, 2022), it is proposed to
	have the phase-in apply retroactively to January 1, 2022 (instead of June
	1, 2022) which would impact Kitchener's recently adopted bylaw from
	May 30, 2022. The impact would be a reduction of \$17M in DC revenues
	over the phase-in period. This will:
	Reduce DC revenues and delay the construction of infrastructure required to support neuroperative units
	 required to support new housing units Have the unintended consequence of allowing less housing to be built
	 Have the unintended consequence of allowing less housing to be built and having poorly serviced/incomplete communities while the City
	waits for DC funds to be collected.
	waits for DC futius to be conected.
	If a phase-in provision is going to be instituted, at a minimum it should
	come into effect after the date Bill 23 is passed. The current proposal will
	negatively impact DC bylaws currently in place and require significant
	administration to determine DC rebates for customers who already have
	chosen to move forward with their projects based on the full DC rates
	being charged.
	The surrent legislative DC framework are sides for the shills to far and DC
	The current legislative DC framework provides for the ability to freeze DC
	rates enabling developers to pay at existing rates as long as they move

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	ahead with their project within two years. This protects developers from
	large rate increases making the proposed phase in approach redundant.
	Questions of clarification
	The legislation proposes that growth studies and DC background studies will no longer be DC eligible. Clarification on whether other studies, such as EA related studies, will no longer be DC eligible is needed.
DC Bylaw review timeframe	Comments
Provides for DC bylaws to be reviewed every 10 years instead of 5 years.	This enables municipalities to review and update bylaws more frequently. Higher growth municipalities like Kitchener may determine that a more frequent review is necessary to ensure that cost recovery through DCs keeps pace with inflation.
DCs for rental housing	Comments
 Provides for reduced DC rates for rental housing developments (4 or more units) based on the number of bedrooms in a unit. DCs are reduced by: 25% for 3+ bedroom units 20% for 2-bedroom units 15% for 1 bedroom and bachelor units Note – It is our understanding that on November 21, 2022 an amendment to Bill 23 was tabled and approved that changes the 15% reduction to apply to any rental housing developments with units of all	Kitchener acknowledges the this may act as an incentive for rental units, specifically larger rental units. This may decrease DC revenues for the City, but the specific impact is unknown.
other bedroom type compositions.	
Interest rate A new section is proposed to provide a maximum interest rate for a DC rate freeze and deferrals capped at prime plus 1% (to be updated quarterly).	Comments Having a prescribed interest rate defined in legislation will be helpful in ensuring a consistent approach across the province. The proposed interest rate is consistent with and only slightly lower than Kitchener's current rate.
DC reserves	Comment
 A new section is proposed that requires municipalities to spend or allocate at least 60% of DC reserve fund balances each year for Water, wastewater, and roads 	Kitchener has made efficient use of its DC reserves that includes a plan for its expenditure in a planned, timely fashion. This proposed change will add administrative steps to an already efficient process.

Proposed Amendment and What it Means	City of Kitchener Comments and Questions
Other DC services may be prescribed	
	Questions of clarification
	Please clarify what is intended by "allocate" and that municipalities can
	re-allocate according to the most pressing infrastructure needs
Planning Act, 1990 (ERO posting 019-6163), (ERO posting 019-6172)	Planning Act, 1990 (ERO posting 019-6163), (ERO posting 019-6172)
Regional Planning Authority jurisdiction	Comment
	It would be beneficial to ensure that mechanisms exist to ensure a
A definition of "upper-tier municipality without planning	coordinated approach to managing growth across large geographic
responsibilities" is proposed to be added which includes the Regional	areas/regions with shared interests and infrastructure, like
Municipality of Waterloo (Region). The effect of this removes planning	groundwater/sourcewater protection, natural heritage, and transit. It
responsibilities from the Region, such as the authority to have an Official	would assist with continuing to balance increasing housing supply while
Plan and approve planning applications.	maintaining agricultural lands for needed food supply and protecting and
	conserving lands that are an integral part of our watershed and natural
Proposed changes would require Kitchener to assume the Region's	heritage system that cross municipal boundaries.
Official Plan. The Region's Official Plan (ROP) would exist alongside	
Kitchener's but would be within Kitchener's jurisdiction to oversee and	The Province is currently seeking input on a streamlined Provincial Policy
eventually incorporate into one new Official Plan for Kitchener.	Statement (PPS) and Growth Plan which may result in a change in the
The removal of the Region as a planning authority makes Kitchener's	provincial priorities outlined in the PPS. Depending on the nature of these
Official Plan and Official Plan amendments subject to ministerial	changes, coupled with the proposed removal of regional coordination of
approval.	growth, municipalities will be challenged in delivering planned, deliberate,
	fiscally responsible growth. Kitchener intends to submit comments
Establishes that a lower-tier municipality is the approval authority for	regarding proposed PPS/Growth Plan changes under separate cover.
planning applications, in areas where the upper-tier municipality does	
not have planning responsibilities, which includes Kitchener.	Kitchener currently has delegated planning approval authority for all
	application types under the Planning Act with the exception of Official
Changes related to upper-tier municipalities without planning	Plans and Official Plan amendments and is supportive of further
responsibilities will come into effect on the day that is prescribed in	delegation of Official Plan amendments to Kitchener.
regulation. The regulations are pending.	
	There is an opportunity to continue to work with the Province and the
	Region on streamlining aspects of the development review process that
	currently reside with the Region, like matters related to noise studies
	through the establishment of standard requirements or mitigation
	measures

Proposed Amendment and What it Means	City of Kitchener Comments and Questions
Proposed Amendment and What it Means	City of Kitchener Comments and QuestionsAn appropriate transition of upper-tier planning responsibilities to lower tier municipalities is necessary to enable discussions of, among other matters, resource capacity.Kitchener welcomes the delegation of approval authority of amendments to its Official Plan. As drafted, the proposed legislation appoints the Minister as the approval authority for an Official Plan and Official Plan Amendment, not at the local level, which may increase the time for a decision to be made. Kitchener supports further delegation from the Province and from the Region of Waterloo for Official Plan amendments.
	Kitchener would want the same permissions and authorities currently delegated to the Region of Waterloo if the Region becomes an upper-tier municipality without planning responsibilities. As part of this delegation, notice would be provided of all Official Plan amendments to the Minister who would retain the ability to overrule. Delegation would ensure a streamlined approvals process.
	To assist with implementation of upper-tier planning responsibilities, clarification of what constitutes a planning responsibility is needed.
Appeal rights A definition of "specified person" is proposed to be added to facilitate the narrowing of appeal rights to the applicant, relevant municipality, minister and certain public bodies.	Kitchener has had a relatively low appeal rate by 3 rd parties and where 3 rd party appeals were filed they were generally unsuccessful.
Appeal rights for upper-tier municipalities without planning responsibilities (e.g. the Region of Waterloo) and Conservation Authorities are proposed to be removed.	
Currently, most planning applications can be appealed by anyone who made a submission as part of the public meeting (i.e. 3 rd party appeals). Bill 23 proposes to remove these types of appeals on all new matters	

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and on all matters that are currently before the Ontario Land Tribunal	
where no hearing has been scheduled.	
Note – It is our understanding that on November 21, 2022 an amendment to Bill 23 was tabled and approved maintains 3 rd party appeals.	
Additional residential units	Comments
A definition of "parcel of urban residential land" is proposed to be added to facilitate the DC exemption for these types of units and to enable the permission of small-scale residential development up to 3 units "as of right".	Kitchener is a leader in establishing land use and zoning permissions for second and third units on residential lands. Permissions for 2 units (e.g. duplexes) have existed in Kitchener's zoning bylaw since the 1990s.
	Additionally, Kitchener was among the early adopters of a new zoning
Official Plans and Zoning Bylaws cannot prohibit the use of up to three	framework to permit 3 residential units, in the form of additional
residential units on a lot where zero, one or two units are ancillary (i.e.	residential dwellings (attached and detached) across much of Kitchener.
ADUs). Official Plans and Zoning Bylaws also cannot require more than one parking space or establish a minimum floor area for ADUs.	Kitchener's regulatory framework strikes an appropriate balance between encouraging this form of missing middle housing and ensuring rules to enable appropriate building setbacks and lot sizes to address safety and
The Minister may make regulations to establish requirements and standards for second and third residential units.	servicing requirements.
	Subsection 35.1 (2) enables the Minister to make regulations establishing requirements and standards for second and third residential units. The City would support Province-wide standards for additional units as this would enable a consistent approach across Ontario municipalities. We suggest looking to Kitchener's regulations for guidance which can be
	found here.
Matters of provincial interest	Comment
The Minister may amend an OP if they are of the opinion that the plan is	Kitchener supports the continued use of the Provincial Policy Statement
likely to adversely affect a matter of provincial interest. References to	to assist with establishing matters of provincial interest and also supports
the Provincial Policy Statement and obligation of the Minister to provide	a role for municipalities in decisions on their Official Plans.
municipalities with the opportunity to revise their Official Plans is proposed to be removed.	
Community Benefits Charges	Comment

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Establishes a maximum amount of CBC to specify that, in the case of	Kitchener is in the process of considering the merits of a community
additions, CBCs are pro-rated based on the land value in proportion to	benefits charge bylaw and has no comments on this change at this time.
the net increase in floor areas only, as opposed to the entire property.	
Additionally, If a project includes affordable or attainable units, CBCs are	
reduced in proportion total share of affordable or attainable units.	
Note – It is our understanding that on November 21, 2022 an	
amendment to Bill 23 was tabled and approved that clarifies that an	
agreement can be made with municipalities for in kind matters	
provided through CBCs. In kind matters were already permitted in the	
Planning Act.	
Site Plan Control	Comment
Amends the definition of development to exclude developments that	Kitchener is supportive of excluding certain types of dwellings from site
are 10 units or less.	plan control such as additional dwelling units and street fronting
Example of the second s	townhouse dwellings. Kitchener is also supportive of site plan control for
For all developments subject to site plan control, municipalities will no	land lease communities and takes a similar approach to vacant land
longer be able to request drawings and review matters related to	condos to ensure functional, safe projects.
exterior design including character, scale, appearance, design features, sustainable design.	Further, there is merit in continuing, at a minimum scoped site plan
	control for other forms of multiple dwellings to mitigate impacts to
Note – It is our understanding that on November 21, 2022 an	adjacent properties and ensure functionality for residents of the
amendment to Bill 23 was tabled and approved that allows the review	development including grading and drainage, tree conservation, lighting
of matters relating to building construction where a bylaw has been	and waste storage.
passed in accordance with the Municipal Act. Additionally, sustainable	
design matters can be considered through site plan control.	The matters noted above are important for safety and site functionality
	and may necessitate the use of other planning or municipal act tools like
	zoning bylaws to achieve the same means that is achieved through site
	plan control if site plan authority is removed for all housing forms 10 units
	or less.
	Kitchener takes a streamlined approach to development standards
	through our Urban Design Manual which gives flexibility to establish the

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	best solution without a need for major or minor changes to zoning
	regulations. If standards are codified into zoning because site plan control
	is not an option, variances may increase to address the unique challenges
	of urban infill, adding additional process and time to a project approval.
	Kitchener supports the removal of character as a review consideration for
	building elevations. Kitchener does not try to control aesthetics (i.e.,
	materiality, architectural style) through site plan (elevation review).
	However, window and door openings, balcony placement and orientation
	of the building are important features in a 15-minute city (e.g. active
	transportation and equity). Consideration should be given to limiting
	exemptions to building materials and design style rather than full exemption from exterior design. Features such as windscreens and
	canopies, for example, are important from a health and safety
	perspective. Additionally, landscape design review could be scoped to
	placement, species and soil volumes for trees, drought-tolerant and non-
	invasive species and functional outdoor amenity to address matters of
	health and safety.
	Should the exclusion for landscape design come into effect, it will also
	have a revenue implication for plan review fees. Kitchener uses plan
	review fees to fund development review positions – consistent and
	predictable revenue is required to adequately staff that team to quickly
	process development approvals.
	The City is currently studying zoning permissions for missing middle
	housing opportunities in neighborhoods above and beyond the three-unit
	permissions that are proposed. If site plan review is not possible for
	developments of 10 units or less, the City will likely look to regulatory
	mechanisms (e.g. zoning) adding regulations to address important
	matters considered through the site plan review process. The site plan
	review process is important to address site compatibility and functional
	issues. Without any site plan review, new developments exempt from

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	review could be lower quality and create greater concern for infill
	developments for the community within MTSAs. Kitchener has been very
	successful in meeting our intensification targets with large
	redevelopments as well as smaller infill projects – all approved quickly
	through the site plan approval process. We've had 18 development
	projects worth almost \$1 billion dollars in just a few short years, which
	has doubled the core's population and radically transformed our built form.
	Bill 109 already implements new regulations in 2023 for the refund of site plan application fees, which is an incentive for local approval authorities
	to approve site plan in an expedient manner.
	We also would welcome Province-wide standards (Ontario Housing
	Affordability Task Force recommendation 12c) for evaluating acceptable
	micro-climate impacts including shadow, noise, and wind criteria. Having
	a set standard would allow the industry to design to this standard and
	eliminate the need for lengthy peer review of these studies (and implementing agreements) through the approval process.
	We welcome the opportunity to continue to review sustainable design
	matters through site plan control as it aligns with the trajectory that is
	being advanced through changes to building codes across the country,
	Kitchener's and Canada's commitments to addressing climate change
	mitigation and adaptation, and the initiative being taken by several
	Ontario municipalities on green development standards. There are
	efficiencies in building construction and operating costs that can be
Devidend Dedication manimum rate	advanced through sustainable design.
Parkland Dedication - maximum rate	Comments
Reduces the maximum rate of parkland dedication to:	It is Kitchener's understanding that park land and cash-in-lieu of land conveyances will be reduced by at least 50% under Bill 23. The cap
 one hectare (ha) per 600 units (down from one ha per 300 units) for the conveyance of land; 	reduces higher density park land dedication substantially yielding
for the conveyance of land,	negligible park land per person in higher density scenarios.

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 and one ha per 1000 units (down from one ha per 500 units) for cash-in-lieu; and in no case shall the land or value dedicated exceed 10% of the site area for sites 5 ha or smaller; or 15% of the site area for larger sites 	In August 2022 Kitchener approved a new parkland dedication bylaw together with a parkland strategy, Places and Spaces. The changes proposed under Bill 23 are not consistent with Kitchener's parkland dedication bylaw and policy. The strategy takes a balanced approach to parkland dedication that considers impacts on development proformas and realistic and achievable parkland provision targets. They generally enable the City to maintain its current park provision rate of 10 sq m per person. Lower, realistic targets are set for Major Transit Station Areas.
	The new strategy, by-law and policy utilize two critical limits to achieve the balance – a hard cap on cash-in-lieu of land, and a provision cap on land conveyances to be no greater than 10 sq.m. per person or 1 hectare per 300 units, whichever is lower. On the highest density sites, the by-law sets the maximum per unit cap that is 86% less than the maximum permitted under current legislation for the highest density sites (less than 1 ha per 1000 units). Furthermore, it uses a 'book value approach' rather than individual appraisals to reduce red tape. Kitchener's by-law sets the stage to provide critical open space needed to support more housing, while mitigating impacts on developers bottom line and, consequently, housing supply.
	Sites that have provided parkland dedication through a site plan control process but have not yet received a building permit may be eligible for a park dedication rebate under Bill 23. Kitchener has concerns with this approach.
	One of the predicted outcomes of this bill is that newly developed greenfield communities would have <u>30% less local park</u> space than the current <u>average</u> community in Kitchener. Impacts are even more severe through infill and intensification areas. Higher density developments will erode existing park supply with an inability to generate park land commensurate with target provisions.

City of Kitchener Comments and Questions
Kitchener recommends that its park dedication by-law, along with others recently passed in the province, be tested at the OLT and be implemented for a period of time prior to making additional changes to the legislative framework for park dedication.
Questions of clarification
Kitchener's new parkland dedication bylaw already provides for these exemptions. Clarification is needed on whether any project including one or more affordable units is necessarily subject to the standard 5% requirement, or if the alternate rate could be applied proportionally.
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Depending on how affordable ownership and attainable housing are defined and implemented, this could result in a significant reduction in parkland dedication with negative impacts on park provision. Clarification is needed on definitions of affordable ownership and attainable housing.
Comments
Kitchener recognizes the value and need for a variety of parkland types to support communities and that these can be delivered in ways that differ from traditional parkland forms. This includes parks which are encumbered, are strata, and are privately owned publicly accessible spaces. Kitchener's new parkland dedication by-law provides partial credit for POPS. However, like other municipalities, Kitchener believes that these are not equal to publicly owned park spaces. They do not provide reliable reinvestment in assets as they age, and wear and management is not accountable to a wider community. In addition, as has been demonstrated across North America, these spaces are not maintained as consistently, or as equitably accessed as traditional public parks. For this reason, while Kitchener agrees that these forms of parkland have value and should be credited, they should not be provided credits equal to publicly owned parkland spaces. Nor should the OLT have the ability to mandate municipalities to take ownership of land that has the potential

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	with poor access, unmaintainable, un-programmable or otherwise
	unsuitable for park purposes.
	While the City is concerned with proposed changes to the required rates of parkland dedication, the ability of the OLT to mandate the taking of land that is unsuitable for parks has potential long-term implications to the financial health of Kitchener's parks and its ability to provide suitable open spaces for passive and active recreation that are critical to good urban life. The quantity, quality and even public nature of parks in Ontario may be negatively impacted by this proposed change and is not supported by Kitchener.
Parkland Dedication - allocation of Cash-in-lieu	Comment
Beginning in 2023 and each year thereafter, municipalities are required	Kitchener has made efficient use of its parkland reserve that includes a
to spend or allocate at least 60% of the monies in the parkland reserve	plan for its expenditure in a planned, timely fashion. This proposed
at the beginning of the year.	change will add administrative steps to an already efficient process.
	Please clarify what is meant by 'allocate' in this case
Minor Variances	Kitchener currently uses its authority under the Planning Act to waive the
Note – It is our understanding that on November 21, 2022 an	2-year moratorium requirement and as such has no concerns with this
amendment to Bill 23 was tabled and approved that removes the 2-	change at this time.
year moratorium on applying for a variance on a property where one has been applied for within the previous 2 years.	
Subdivision of Land	Comment
Proposed removal of the requirement to hold a public meeting for	In almost all instances in Kitchener, subdivision applications are
subdivisions.	accompanied by a zoning by-law amendment application which still
	requires the holding of a public meeting. This proposed change will not
	make a substantive difference to the subdivision process.
Ontario Land Tribunal Act, 2021	Ontario Land Tribunal Act, 2021
New Powers to Dismiss Appeals Without Hearings	Comments
These changes provide the Tribunal with new powers to procedurally	Kitchener has no concerns with this change. This increased power will
dismiss appeals without hearings where there is undue delay by the	mean more efficient and organized hearings
party bringing the proceeding, or where a party fails to comply with an order of the Tribunal.	

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Direction to award costs	Comments
These proposed changes will give the OLT express power to order an unsuccessful party to pay a successful party's costs. Prior to this change, costs were rarely awarded by the Tribunal, and only in exceptional circumstances where "the conduct of course of conduct of a party has been unreasonable, frivolous or vexatious or if the part has acted in bad faith". The province has indicated that the purpose of this proposed amendment is to encourage parties to resolve outstanding issues without going to the OLT.	This change, combined with the pressure created by Bill 109 to render a decision within the statutory time period (rather than working with the developer to resolve issues during the review process) will create additional pressure on Council to approve development, even where it may not align with Provincial or Municipal Policy. The Costs awarded against the City would be funded by municipal taxes and could reach into the range of \$100K+ for hearings. This, combined with the removal of appeal rights of residents, unfairly tips the balance of any development approval in favour of the developer. Costs should not be awarded where substantial effort has been made by a Party for a fulsome hearing, and where every effort is made to scope and resolve issues prior to a hearing, and where a Party provides evidence for all issues. The City does not object to awarding costs where an appeal is used as a delay tactic and a where a Party is not productive and does not provide a reasonable effort to participate.
Conservation Authorities Act, 1990 – ERO Posting 019-6141	Conservation Authorities Act, 1990 – ERO Posting 019-6141
Powers of Conservation Authorities The disposition of certain lands held by conservation authorities will no longer require Minister's approval, just notice of disposition. Requirements for public notice and consultations (in certain circumstances).	Questions of clarification Clarification on what certain lands would be and how any potential impacts on natural lands will be considered prior to disposition is needed.
Municipal programs and servicesThe Conservation Authorizes Act currently authorizes ConservationAuthorities to provide, programs and services that it agrees to provideon behalf of a municipality under a memorandum of understanding inrespect of the programs and services.Bill 23 proposes to limit these programs and services and will no longerpermit conservation authorities to review or comment on developmentapplications on behalf of municipalities or collect fees for such services.	Comments Kitchener is currently part of a memorandum of understanding with the Region of Waterloo and Grand River Conservation Authority regarding services provided by the GRCA on behalf of the Region and local municipalities. This MOU together with our good working relationship has served Kitchener well over many decades. Kitchener works in partnership with the Region and GRCA on matters related to natural hazards and natural heritage to ensure a consistent streamlined approach to conservation, enhancement, and restoration.

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The conservation authorities services will be limited to "category 1"	Further to our comments above on upper-tier planning authorities
programs and services only which include matters related to:	without planning responsibilities, should those changes advance, coupled
 natural hazards (e.g. flooding, slope erosion etc.) 	with the proposed changes to the Conservation Authorities Act there will
Source protection (Clean Water Act)	be no cross municipal jurisdiction to ensure a consistent approach to the
Watershed based resource management	conservation, protection and restoration of natural heritage systems.
Provincial water quality monitoring	
	Questions of clarification
Conservation Authorities will no longer be permitted to review matters	It is our understanding that conservation authorities will also no longer be
related to natural heritage, sub-watershed planning, and watershed	permitted to comment on natural heritage matters nor issue permits on
services.	the same as part of infrastructure undertakings under the Environmental
	Assessment Act. Clarification is required on what are
Additionally, a conservation authority permit will no longer be required	permitted/prohibited matters of conservation authority comments
for development within a regulated area where a planning act approval	outside of Planning Act applications (e.g. the EA Act, Drainage Act).
has been granted.	
	Clarification is also needed on the role of conservation authorities in
	master planning studies such as subwatershed studies and related
	community/secondary plan processes.
	Finally, it is our understanding that for certain municipalities and under
	certain conditions (not yet identified), an approval under the Planning Act
	could remove the requirement for a permit under the Conservation
	Authorities Act for activities associated with the approved development.
	Clarification is needed to understand whether municipalities would
	assume sole liability for the impact of development on natural hazards
	within municipal boundaries and on neighbouring upstream and
	downstream communities.
Fees	Questions of clarification
A new section authorizing the Minister to direct Conservation	Will the revenue stream continue to be adequate to resource their
Authorities not to charge the fees it charges for a program or service for	remaining responsibilities should the new powers by the Minister be
a specified period of time.	utilized? There may be downstream implications on municipalities.
Prohibited activities	Questions of clarification
Currently, subsection 28(1) of the CA Act provides a blanket prohibition	Related to comments above, clarification is needed to understand who
on certain activities (such as certain development activities and activities	retains or now has the authority to consider matters related to pollution

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that would interfere with a watercourse or a wetland, etc.) without a	and the conservation of land. Kitchener reiterates its comments that
permit. Several factors must be considered by conservation authorities	some matters cross municipal boundaries and there continues to be
when making these decisions including control of flooding, erosion,	benefit for cross jurisdictional coordination.
dynamic beaches, pollution or the conservation of land.	
Bill 23 proposed to remove pollution and the conservation of land as	
factors that conservation authorities can consider.	
Ontario Heritage Act, 1990 ERO Posting 019-6196	Ontario Heritage Act, 1990 ERO Posting 019-6196
Alterations	Questions of clarification
Bill 23 proposes to include demolition and removal as part of any	Clarity is needed as to the purpose of this change. As it is proposed this
alteration whereas the Act currently does not includes demolition and	may result in a difference in process when dealing with alterations of
removal for the purposes of specific sections of the Act.	listed properties which currently do not require a heritage permit.
Provincial powers to exempt properties from OHA	Comments
Bill 23 proposes to allow the Lieutenant Governor in Council to exempt	Kitchener continues to see merit and value in finding a balance between
the Crown, or ministry or prescribed public body to not comply with	cultural heritage conservation and the provincial priorities outlined in this
some/all of certain heritage standards/guidelines if the Lieutenant	section of Bill 23, including on properties owned or operated by the
Governor in Council is of the option that an exemption could advance	Province and other prescribed bodies.
provincial priorities in the areas of:	
Transit	Questions of clarification
Housing	Clarity is needed to understand what other priorities may be prescribed.
Health and long-term care	
Other infrastructure	
 Other priorities that nay be prescribed 	
Heritage register	Comments
A heritage register may continue to include properties that are not	Kitchener currently maintains a list of properties with an 'under review'
designated but must now have a statement of significance confirming	status which consists of properties that may have cultural heritage
what criteria the property meets in addition to Council direction that the	significance subject to a future assessment. Kitchener has concerns with
property may be of cultural heritage value or interest.	the proposed change to this mechanism to Bill 23 as it appears that short term measures for heritage conservation are being limited or removed.
Bill 23 also proposes to extend objection rights to property owners of	
properties that are already listed on the heritage register. Currently	It is our understanding that this proposed change would allow owners of
objections can only be made at the time that a property is listed on the	all properties currently listed on a heritage register to object to the listing.
heritage register. Any owner with property added to the list as of June	Owners of a listed property can now object to being on the Register

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30, 2021 or on / after July 1, 2021 can object to their property being	regardless of when their property was added. Kitchener is seeking
added and have council reconsider the decision.	clarification on what criteria may need to be met for a property to be
	removed by owner's request.
Bill 23 also proposes that all properties currently on the register and	
those added to the register on or after the day Bill 23 comes into effect	Kitchener's current process to assess cultural heritage value works well
must be designated within two years or the properties are automatically removed from the register and cannot be added back to the register for	and is integrated into our development review process.
a period of 5 years.	Kitchener currently asks for a Heritage Impact Assessment (HIA) for
	properties that are listed, or adjacent to a listed property. This provides
Bill 23 proposes that consultation with a municipal heritage committee	an opportunity to determine and mitigate any potential impacts, as well
is not required for the removal of a property from the register.	as initiate conversations about potential designation at the same time as
	working with the developer on ways that the site can be developed.
	Kitchener is concerned that this proposed change through Bill 23 will
	remove the opportunity for these conversations which have been
	generally successful in Kitchener. Kitchener has always balanced heritage
	conservation with matters of public interest and have proven success with the reuse and redevelopment of heritage resources for healthcare,
	housing development, award winning offices, and vibrant commercial
	spaces.
	Kitchener is concerned that these changes will diminish a municipality's
	ability to designate significant cultural heritage resources, where they are
	evaluated to determine their significance resulting in potential significant
	loss of Kitchener's cultural heritage. Completing an evaluation and
	designation process for all cultural heritage resources on Kitchener's
	register within a 2-year timeframe will at best be challenging. Kitchener is supportive of advancing work on reviewing its register and requests that
	the proposed 2-year timeframe be revisited.
	the proposed 2 year timenance be revisited.
	Kitchener's heritage committee provides valuable insights and
	perspectives on Kitchener's cultural heritage resources. Given the 2 year
	requirement mentioned above, seeking input from Heritage Kitchener will

Proposed Amendment and What it Means	City of Kitchener Comments and Questions
	be challenging. Kitchener is an industry leader as some Heritage Permit
	Applications are delegated to staff and are processed in a timely manner.
Heritage Designation - property	Comments
Where a property is the subject of an Official Plan or Zoning Bylaw amendment or plan of subdivision and there is a matter of cultural heritage value on the property, the property must already be listed on the register and council must give notice of intention to designate the property within 90 days of the approval of the Official Plan/Zoning Bylaw amendment or plan of subdivision.	Kitchener acknowledges the opportunities to further streamline development review process should designation occur at the Official Plan amendment or Zoning Bylaw amendment stage. However, there is concern that this may result in the loss of potential heritage resources. Properties that are in the Kitchener Heritage Inventory are reviewed and considered for listing or designation based off the recommendations of a Heritage Impact Assessment. The recommendations of the HIA are largely implemented at the site plan stage. This change will no longer provide the opportunity for a municipality to evaluate and list properties on the register as part of development applications.
Heritage Designation – district	Comment
Bill 23 would require that Official Plans not only contain provisions about the establishment of heritage conservation districts but also that Official Plans outline criteria for determining a heritage conservation district.	Kitchener appreciates the potential flexibility introduced in the proposed legislation for amendments to heritage conservation districts. However, Kitchener continues to be supportive of a comprehensive evaluation and assessment of heritage conservation districts as a whole. An amendment process may compromise the intent of the heritage conservation district
Provisions have been added to allow the amendment or repeal of a	
heritage conservation district bylaw and plan.	Questions of clarification The ability to amend a HCDP is helpful as Kitchener could update our HCDP to reflect attribute changes of the area and implement new best practice, etc. However, if it allows actions such as the removal of homes from the district per owner request, this may cause fragmentation which defeats the purpose of an HCD which generally is to conserve the character of an area as a whole or have other negative implications. Are site specific repeals being contemplated with Bill 23?

Proposed updates to/new Regulations

<u>Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario - ERO Posting</u> 019-2927

Summary of Regulation

The ministry is proposing to make a single provincial regulation to ensure clear and consistent requirements across all conservation authorities while still addressing local differences. The proposed regulation would focus permitting decisions on matters related to the control of flooding and other natural hazards and the protection of people and property. These proposed changes are consistent with Bill 23.

Comment

Kitchener does not have concerns at this time with the principle of a single provincial regulation for conservation authorities for consistency provided that local differences are reflected. Additional comments on proposed changes to the Conservation Authorities Act through Bill 23 are provided above.

Proposed change to O.Reg 299/19: Additional Residential Units - (ERO posting 019-6197)

Summary of Regulation

Changes are proposed to this regulation to be consistent with changes to additional dwelling unit changes to the Planning Act as part of Bill 23. Official Plans and Zoning Bylaws cannot prohibit the use of up to three residential units on a lot where zero, one or two units are ancillary (i.e. ADUs). Official Plans and Zoning Bylaws also cannot require more than one parking space or establish a minimum floor area for ADUs.

The Minister may make regulations to establish requirements and standards for second and third residential units.

Comment

Kitchener is a leader in establishing land use and zoning permissions for second and third units on residential lands. Permissions for 2 units (e.g. duplexes) have existing in Kitchener's zoning bylaw since the 1990s.

Additionally, Kitchener was among the early adopters of a new zoning framework to permit 3 residential units, in the form of additional residential dwellings (attached and detached) across much of Kitchener. Kitchener's regulatory framework strikes an appropriate balance between encouraging this form of missing middle housing and ensuring rules to enable appropriate building setbacks and lot sizes to address safety and servicing requirements.

Subsection 35.1 (2) enables the Minister to make regulations establishing requirements and standards for second and third residential units. The City would support Province-wide standards for additional units as this would enable a consistent approach across Ontario municipalities. We suggest looking to Kitchener's regulations for guidance which can be found <u>here</u>.

Proposed change to O.Reg 232/18: Inclusionary Zoning - ERO posting 019-6173

Summary of Regulation

The proposed changes include a shifting of responsibility for protected major transit station areas (PMTSAs) from the Region of Waterloo to the lower tier municipalities. To enable inclusionary zoning and provide appeal shelter PMTSA policies must now include land uses, minimum densities and delineation of PMTSA boundaries. The proposed changes also:

- set an upper limit of 5% of the total proportion of units/floor area in a development that can be required to be affordable
- set a maximum affordability period of 25 years
- exempt affordable units secured through inclusionary zoning from development charges, community benefits charges, and parkland dedication
- prescribe the approach to determine the lowest price/rent that can be required for inclusionary zoning units, which is proposed to be set at 80% of the average market rent for rental units
- limits the amount of parkland to be conveyed for developments or redevelopments if they include certain defined classes of affordable units to a maximum of 5% of the land multiplied by the ratio of the number of affordable units to the total number of units in the development

Comment

Kitchener supports a consistent approach to inclusionary zoning across the province, however there may be some challenges. The potential of a 5% threshold may limit opportunities to create a significant number of inclusionary zoning affordable units in strong market areas and the ability to modify inclusionary zoning requirements (i.e. increase them) over time when markets strengthen and have the capacity to absorb an increase. In the short term and in weaker markets a 5% threshold is likely appropriate. Through Kitchener's coordinated exploration of inclusionary zoning with the cities of Cambridge, Waterloo, and the Region of Waterloo we are exploring and see the benefit to balancing longer term affordability with depth of affordability. A 25-year affordability duration combined with a 5% affordable unit threshold can likely be incorporated into a successful policy. However, continuing to provide municipalities with the ability to understand their markets and explore depth and longevity of affordability to ensure the most appropriate approach for local context is of utmost importance.

Further, Kitchener can see how DC, CBC and parkland dedication exemption for inclusionary zoning units would assist with their financial viability. Additional work is needed at the local level to understand the financial impacts of these proposed exemptions.

19

The proposed lower limit for affordable rents that can be required through inclusionary zoning generally aligns with the rent thresholds being contemplated through Kitchener's inclusionary zoning work. Clarity is needed on how affordable ownership will be defined. Kitchener also suggests that a more equitable approach to determining lowest price/rent would be based on incomes rather than market.

And finally, should the Province include inclusionary zoning units within the list of defined classes of affordable units, developments that include these units would have reduced parkland requirements which may have a positive effect on the financial feasibility of inclusionary zoning. However Kitchener needs to understand whether there are any long-term implications of the potential change on our ability to acquire parkland.

Proposed updates to the Ontario Wetland Evaluation System (OWES) - ERO Posting 019613-6160

Summary of proposed change

Proposed updates to the Ontario Wetland Evaluation System include:

- added guidance related to re-evaluation of wetlands and updates to mapping of evaluated wetland boundaries
- changes to better recognize the professional opinion of wetland evaluators and the role of local decision makers (e.g. municipalities)
- other housekeeping edits to ensure consistency with the above changes throughout the manual

It is indicated that these changes will allow for further streamlining of development decisions by removing the requirement for the ministry to review and confirm wetland evaluation results.

Comments

It is our understanding that wetland evaluations will be completed by certified wetland evaluators but will no longer be reviewed and accepted by Provincial wetland biologists. Further it is our understanding that a wetland re-evaluation will be considered complete once it has been received by a decision maker addressing a land use planning and development/resource management matter providing limited to no ability for a municipality to review, comment, and accept/reject the re-evaluation. The proposed changes to OWES entirely removes the responsibility for the assessment and acceptance of wetland (re-)evaluations from the Province (OMNRF) where scientific and technical wetland expertise resides. This, along with the proposed changes to the Conservation Authorities Act, means that Kitchener cannot rely on our agency partners for this expertise. It appears that the municipality (Kitchener) will be the sole "decision maker" and we are currently not resourced with the technical expertise for this type of review, and this may present challenges. Kitchener strongly recommends the continuation of Provincial scientific, evidence-based, peer review process to wetland evaluation and re-evaluation.

Staff Report

Corporate Services Department



REPORT TO:	Special Council
DATE OF MEETING:	December 12, 2022
SUBMITTED BY:	Dianna Saunderson, Manager, Council and Committee Services / Deputy Clerk, 519-741-2200 ext. 7278
PREPARED BY:	Dianna Saunderson, Manager, Council and Committee Services / Deputy Clerk, 519-741-2200 ext. 7278
WARD(S) INVOLVED:	All
DATE OF REPORT:	December 8, 2022
REPORT NO.:	COR-2022-519
SUBJECT:	Appointments to the Centre in the Square Board (2022-2025)

RECOMMENDATION:

That effective immediately Dan Carli and Barb Blundon be appointed to the Centre in the Square Board for a 3-year term ending December 31, 2025, as outlined on Corporate Services Department report COR-2022-519.

BACKGROUND:

On November 16, 2022, Council appointed citizens to various advisory committees, boards and special committees for the current term. At the Striking Committee meeting members of Council representatives were appointed, to the Centre in the Square (CITS) Board, but the required citizen members were not captured at that time.

The Boards of Kitchener Public Library (KPL), Centre in the Square (CITS), Kitchener Housing Inc. (KHI), and Kitchener Power Corporation (KPC) are responsible for selecting their own candidates for Council's approval and so are not considered by the Nominating Committee for recommendation.

REPORT:

On December 7, 2022, the Centre in the Square Board passed a motion to recommend that City of Kitchener Council re-appoint Dan Carli and Barb Blundon to the Board for a second threeyear term, effective December 1, 2022, and ending December 31, 2025, which has been included in the recommendation letter as an attachment to this report. The CITS Board also recommended that Dan Carli, in his current capacity as past chair, retain all rights and responsibilities of the Chair, including any bank signing authorities, until Kitchener City Council considers the extension of Dan Carli and Barb Blundon on December 12, 2022, or until a new Chair is appointed.

STRATEGIC PLAN ALIGNMENT:

*** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance. This report supports the achievement of the city's strategic vision through the delivery of core service.

FINANCIAL IMPLICATIONS:

None at this time.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

• <u>COR-2022-475</u> - 2022 Appointments to Advisory& Quasi-Judicial Committees

APPROVED BY: Victoria Raab, General Manager, Corporate Services

ATTACHMENTS:

Attachment A – Centre in the Square Letter of Recommendation